

and Franklin D. Raines, chairman and chief executive officer, Fannie Mae.

Remarks at the Health Care Security Session of the President's Economic Forum in Waco

August 13, 2002

The President. Thank you all for coming. **Health and Human Services Secretary Tommy G. Thompson.** Mr. President, we're having a great session on medical malpractice and health care costs, the uninsured, and so on. And I've decided to pick several speakers to give you an update. And the first one I'm going to ask to give you a speech and an update is Grandma Green, Flora Green, who is an individual who is going to talk about Medicare. And she is a feisty little lady. So, I interrupted her——

The President. Kind of like you, Tommy. [Laughter]

Hi, Flora. Where are you from?

Flora Green. Salt Lake City. I met you in Salt Lake City.

The President. Of course.

Ms. Green. Barbara's boy. [Laughter]

The President. Thanks for coming. I thank you all for coming, by the way. I want you to know that economic security relies upon good health security. The two go hand in hand. And we understand that, and I want to thank you for sharing your ideas about how to make our society better for all of us.

Flora, thanks for coming. I'm interested.

[At this point, Ms. Green, a member of the Seniors Coalition, spoke about the need for choice in Medicare plans and suggested tax credits for Medigap premium and prescription costs.]

The President. Thanks for coming. Medicare is a very important program. However, it has not changed with the times, and that's a fact. And the fundamental question is, how do we change it with the times, so that seniors get the benefit of modern medicine, and they get to choose? That's one of the interesting debates in Washington, is should you allow—be allowed to choose?

Ms. Green. Absolutely.

The President. Well, I think so too, but others don't. Others want the Government to make those decisions for you.

Ms. Green. Why should some bureaucrat tell me what to do? [Laughter]

Secretary Thompson. Be nice now, Grandma. [Laughter]

The President. Have you ever been to Washington? [Laughter]

Ms. Green. I get past those watchdogs that protect the Members of Congress, those 29-year-olds that are running the country. [Laughter]

Secretary Thompson. Mr. President, I'd like to move on to—[laughter]—more patient control. And I would call upon Lucinda Harmon to give you an update.

The President. Oh, hi, Lucinda. Thanks for coming.

[Registered nurse Lucinda Harmon discussed ways to promote independence for persons with disabilities, such as herself.]

The President. Absolutely. Lucinda, where are you living?

Ms. Harmon. I live in Salado, Texas.

The President. Oh, yes. Right down the road.

Ms. Harmon. Yes, sir.

The President. And what are you doing?

Ms. Harmon. I am an educational consultant. I build capacity in terms of community coalitions and grant writing. My company has brought in \$2.6 million into the State and into the area, and I make \$40 a month.

The President. So you can get your Medicare benefits.

Ms. Harmon. And Medicaid.

The President. And Medicaid, right.

Ms. Harmon. Yes.

The President. Actually, we've made some progress on the Medicare——

Secretary Thompson. We are making progress on it.

The President. ——in terms of income limitations.

Secretary Thompson. Lucinda would like to introduce her dog too.

Ms. Harmon. Yes. My dog is part of my personal choice. His name is Quintessential. Quint, baby, wake up. [Laughter]

The President. Where is Quint? [Laughter]

Ms. Harmon. He's a part of my individual program. Thank you so much, Mr. President.

The President. He was afraid I was going to give a speech. [Laughter]

Secretary Thompson. Mr. President, the next issue that you have a tremendous passion for is reforming the tort system, as far as medical malpractice.

The President. Yes.

[Secretary Thompson introduced Dr. Edward Hill, chairman, American Medical Association, who discussed the effect of malpractice lawsuits on liability insurance premiums.]

The President. We've got a real problem. And what America's got to understand, the medical liability problem affects them for two ways: One, it runs up the cost of medicine; it just does. Large settlements and/or frivolous lawsuits makes your health care go up. That is a fact. And secondly, it—the liability situation denies some people health care.

I met this guy from Mississippi. He's a fellow that came down from Minnesota, he and his wife. They're pediatricians; they heard a calling to go to a poor community. And now they're leaving Mississippi. They were in the Delta, and they're leaving because the lawsuits are driving them out. Not only does the system drive up the cost for the people in the Delta—the poor people can barely afford it—now they don't have a pediatrician, or two less pediatricians. And it's sad, and we need to do something about it, in that the—these liabilities, these lawsuits drive up the cost of medicine. It drives up the cost of medicine to the Federal Government as well, Medicare, Medicaid, veterans health benefits. So therefore, I believe the Federal Government ought to act.

And we ought to have medical malpractice reform across the board. People ought to be able to recover their economic damages. If you get hurt, if somebody has mistreated you, you ought to have your day in court, and you ought to be able to recover what they call economic damages. People ought to be allowed to be treated fairly. But there ought to be a cap on noneconomic damages and on punitive damages. And we ought to have joint and several liability reform. This is a

real problem. And I call upon Congress, Doc, and I call upon you to get the people in Congress to act, to understand the crisis. There are a lot of good docs who aren't going to be docs anymore, and people suffer, and that's not right. And so it's time to act on this. I agree with you completely.

And the other thing people have got to understand is, these frivolous lawsuits—and there's a lot of them—are not only driving the cost of medicine up but denies people the chance to get their day in court. And that's a problem, and so we need to move.

For a while, I thought that it ought to be done at the State level. When I realized the cost to the Federal treasury, I now believe we ought to have medical liability reform at the Federal level. And I'm going to push hard for it, and I need your help. The trial lawyers are very politically powerful, and they're strong. But here in Texas, we took them on and got some good medical—medical malpractice, which evidently had a few loopholes in it.

Mr. Hill. Yes, sir, it did.

The President. But we got some good tort reform across the board, and we need to do it here. We need to do it now in America, before it's too late. The patients get hurt, and the docs get hurt. And one of the things we've got to do is make sure the connection between the doctor and the patient is strong, and that it always remains intact, because that's one of the great things about our medical system.

Anyway, thanks for bringing it up.

Secretary Thompson. Thank you, Mr. President. Have you got time for one more subject?

The President. Yes.

Secretary Thompson. I'm going to call upon a businessman, David Ness, to talk about how difficult it is with health insurance and what they're trying to do to make sure that they have health insurance for their employees.

David.

David Ness. Thank you, Secretary Thompson.

The President. Where do you live, David?

Mr. Ness. Minneapolis, Minnesota.

The President. Good.

Secretary Thompson. It's a suburb of Wisconsin, Mr. President. *[Laughter]*

The President. He tried that line in Minnesota, by the way. *[Laughter]*

Mr. Ness. Like Wisconsin, we have 3 days of summer. *[Laughter]*

The President. That's right.

[Mr. Ness, vice president of benefits, Medtronic, Inc., described how his company reduced the rate of increase in employee health care costs, including establishing employee personal care accounts.]

The President. Yes, medical savings accounts, whatever you want to call them, are very important for providing proper incentive and keeping the relationship between the patient and the doctor. I hope that Americans understand that if they walk 20 minutes a day, if they'd get out and exercise, the amount of money they can save for their families; that there is such a thing as preventative care; and by making right choices, that people can really save a lot of money. And if the system encourages those savings, that in itself is just as well.

I appreciate you bringing that up. We've kind of lost sight of who is responsible for what. Part of it has to do with the size of Government; part of it has to do with the health insurance phenomenon that has taken place. And the notion is to kind of—we talked about individualized medicine, but as you individualize medicine, individuals have to make better choices too. And that's going to be crucial for the future of the country.

Listen, thank you all for coming. I promise you I will listen to what has been said here, even though I wasn't here. And we will distill the ideas and the comments. This is—this is an important subject for the country because, as I mentioned earlier, good health care will yield to better economic security. It's hard to feel economically secure if you're worried about your health. It's hard to feel economically secure if the health care systems don't enable you to really realize your full potential. And so the ideas that you bring forth are important.

Tommy is doing a fabulous job running Health and Human Services. It's a—Health and Human Services, the budget and the amount of influence it has on our society is

enormous. And Tommy is a good listener, and he's a pretty good actor too. He can get things done. "Action man," we call him.

But I want to thank you all for coming. I think you'll be impressed by the quality of folks who have shown up here. I don't know if you've had a chance to mingle, but it's—I've been very impressed. I've been very thankful that a lot of our national experts have come to talk about a variety of subjects.

Really, what we're talking about is confidence in our future. I've got great confidence in the future of our country, because I understand America. I know what we're made out of. And obviously we've got some problems we need to address, but one problem we don't have to address is the fundamental character of the country. The fundamental nature of the American people are resilient and strong. We talked a little bit in these other seminars about how some have let us down, cheated, didn't tell the truth when it comes to their numbers on their balance sheets. And we'll find those and hold them to account. But by far, the vast majority of Americans are really decent, honorable people.

So thanks for coming to central Texas. I know it's a lot to ask to come here in the middle of August—*[laughter]*—but it's worthwhile. It's worthwhile. God bless you all.

NOTE: The President spoke at 10:08 a.m. in the Baylor Law Center at Baylor University.

Remarks at the Plenary Session of the President's Economic Forum in Waco

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Well, Dr. Sloan, thanks for having us all. And I want you to thank all the good folks here at Baylor University for putting on a great show. I know a lot of people worked hard. I'm really glad a lot of folks from around the country got to see Baylor. It's a fantastic university. And I want to thank the folks here who came from all around the country. Welcome to central Texas in the middle of August. *[Laughter]*

People here are the people that really make America work: the entrepreneurs and